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**NEW REPORT SHOWS CRIPPLING ECONOMIC TOLL OF
SMOKING ON CALIFORNIA'S FISCAL HEALTH**

**Legislature Urged to Protect the Health of Californians –
Not Big Tobacco's Profits**

SACRAMENTO (Jan. 14, 2003) – Citing startling data released today on the economic drain caused by smoking, California's Tobacco Education and Research Oversight Committee (TEROC) urged legislators to raise the tobacco tax to help alleviate the state's financial crisis and dedicate a small portion for tobacco prevention to improve the health of millions of Californians. According to a report by the Institute for Health & Aging at the University of California, San Francisco (UCSF), the cost of smoking in California is nearly \$16 billion annually, or \$3,331 per smoker every year.

“While the public health burden is justification enough for raising tobacco taxes to decrease the number of smokers in California, the crippling economic toll caused by smoking should make this decision a no-brainer,” said Kirk Kleinschmidt, vice president of advocacy, American Heart Association, Western States Affiliate. “Raising the tobacco tax and dedicating a small amount for tobacco prevention will not only reduce tobacco-related diseases and deaths, it also will generate immediate revenue.”

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“This year, the cost of smoking in California will be nearly \$16 billion, which equals half of the projected state deficit,” said Kleinschmidt. “Without a reduction in smoking, these costs will continue to soar and every Californian will bear the burden.”

TEROC’s call for a tobacco tax increase is one of the key recommendations contained in the Committee’s newly released Master Plan to the California Legislature.

“As California’s leaders look to address the current budget crisis, our state’s world-renowned tobacco control program can and should play an important role in the solution,” said Alan Henderson, DrPH, professor, Health Science Department, California State University, Long Beach. “Earmarking 20 cents per pack of the proposed tax increase for California’s Proposition 99-funded health education and research programs is an appropriate and responsible use of state funds. We have a time-tested and scientifically proven tobacco control program that works and saves taxpayers more than it costs.”

Every dollar invested in the California Tobacco Control Program saves the state at least \$3 in direct health care costs and another \$5 by reducing lost productivity.

“An ounce of prevention today will afford us a pound of cure tomorrow,” said Henderson. “Nearly three out of every four smokers in California want to quit smoking and we have an obligation to provide these nearly 4.7 million smokers with resources to successfully break their addiction. Decreasing illness and death from tobacco-related diseases will significantly lower the economic costs to the state.”

Other key findings from the Institute’s report include:

- Direct health care costs attributed to smoking, including hospital care, ambulatory care, nursing home expenses, prescription drug costs and home health care, account for more than half of the burden at \$8.6 billion.

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- Lost productivity due to premature death amounts to a staggering \$5.7 billion, with another \$1.5 billion in lost productivity due to illness.

Tobacco use is the number one cause of preventable disease and premature deaths killing 43,000 Californians each year and affecting millions nationwide with long-term health problems.

“Raising the tax on tobacco products can be an important part of healing California’s public and fiscal health,” added Kleinschmidt. “Saving lives and improving our state’s budget is not a hard choice. We cannot allow the tobacco industry’s deadly products to continue to drain the state’s financial, physical and emotional health.”

TEROC presented its sixth Master Plan pursuant to its legislative mandate (California Health and Safety Code Section 10450-104480). As directed by the Legislature, the Master Plan highlights the accomplishments and lessons learned by California’s Tobacco Control Program, and sets forth policy and budget recommendations for the future.

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